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## CIA Cleared Of Improper Funds Links

(Chicago Tribune Press Service)

WASHINGTON — The super-secret Central Intelligence Agency was absolved Monday night after a day of mystery, of having any improper dealings with the J. M. Kaplan Fund, a New York tax exempt charitable foundation.

Whatever the CIA may have done was approved by a House Small Business Subcommittee headed by Rep. Wright Patman (D., Tex.) after he and Rep. James Roosevelt (D., Calif.) had a closed door session with Lt. Gen. Marshall Carter, deputy director of the CIA.

Patman and Roosevelt told reporters, however, that the Internal Revenue Service assured them at the same closed meeting that it is making a vigorous investigation of the Kaplan Fund's tax exempt status.

### Questioning Sought

The mystery began earlier Monday when the subcommittee sought to question Bertrand M. Harding, acting commissioner of the Internal Revenue Service, and his assistant, Mitchell Rogovin, about reports that the CIA has been using the Kaplan Fund as a "conduit" for CIA funds.

The two officials balked at telling their stories at the session, which was public, and explained that they would be happy to talk at a closed session, asserting that the matter was too "sensitive" to be discussed in public.

They did say, however, that they had been approached by a CIA representative in 1959, and that he asked if the Revenue Service would object to the use of the Kaplan Fund as a "con-

What happened after that was not explained, but Rogovin said that later the CIA learned that the Revenue Service was auditing the Kaplan Fund accounts and asked if the audit would be made public.

The CIA dislikes for any of its mysterious operations to become public.

Patman said the New York director of the Internal Revenue Service twice recommended, in 1957 and 1958, that the fund's tax exemption be revoked but that the recommendation was overruled later by his successor.

### No Reports

Patman and Roosevelt noted that the Revenue Service has been investigating the Kaplan Fund for years without making a report, and that the subcommittee would be justified in "severely censuring" the Revenue Service if it does not report soon.

The mystery was heightened by the questions asked by Patman, most of which were not answered by the Revenue Service men.

Patman questioned whether the Kaplan Fund paid the entertainment expenses of J. M. Kaplan, its founder, and if directors of charitable foundations also are directors of business firms that compete with each other.

Patman also asked if any borrowing had been done by the fund, and if it lent any of the borrowed money to Kaplan interest free.

The fund first filed for tax exemption, in 1945. Its assets then were listed at \$1,624,277. In 1963 the assets were listed at \$14,000,000.

Patman asked Harding to examine some of the Kaplan Fund's recent reports to the Revenue Service and determine whether they reflected any CIA money. Harding said they did not.